

Market Price. The CCP is subject to change because of technological advances in carcass evaluation. The CCP might become a component of the IBP Carcass Merit Program [as described in Exhibit 1(r)] and therefore reflected in the grade premium matrix. If a new system of measurement and a new grade premium matrix are implemented, IBP will implement the new premium.

(s) Carcass Weight shall mean the weight of the carcass after the kill floor process and just prior to entering the cooling process.

Section 2. Term

The term ("Term") of this Agreement shall commence on May 1, 1998 and end on December 31, 2004, unless amended or terminated pursuant to the terms of this Agreement.

Section 3. Delivery and Schedule of Shipments

(a) Producer agrees to arrange and schedule with a designated IBP representative weekly Market Hog deliveries to IBP's Perry, IA; Storm Lake, IA; and Council Bluffs, IA plants pursuant to IBP's discretion. Delivery schedules will be agreed to by the Thursday preceding the Delivery Week in which Market Hogs are to be delivered. Changes in that schedule will be permitted only by agreement between IBP and Producer reached at least twenty-four (24) hours prior to delivery, or unless agreed to otherwise in this Agreement. Other IBP plants may be added as delivery points for Market Hogs as mutually agreed to by the parties.

(b) Inspection, sorting and weighing shall be performed by IBP at the plant. No hogs shall be accepted to fulfill the terms of this Agreement if they do not meet the qualifications of a Market Hog.

(c) Title and risk of loss on the Market Hogs will pass from Producer to IBP upon the slaughter of the Market Hogs at IBP's plant, however, Producer will remain responsible for any carcasses that contain drug residue or are adulterated in any other manner which is due to Producer.

(d) Annual Total Production of Market Hogs to be delivered by Producer is as follows:

<u>Period</u>	<u>Market Hog #s</u>		
1998	31,000	to	33,000
1999	47,000	to	49,000
2000	78,000	to	82,000
2001	93,500	to	98,500
2002	93,500	to	98,500
2003	93,500	to	98,500
2004	93,500	to	98,500

(e) Producer shall, at the beginning of each quarter, provide IBP with an approximate Weekly Projected Total Production of Market Hog numbers for the following quarter. For example, on January 1, 1997, Producer, in writing, would provide IBP the approximate weekly Market Hog numbers to be delivered for the period of April 1, 1997 through June 30, 1997. Weekly deliveries of Market Hogs shall be evenly and consistently delivered. For each year listed in 3(d) above the parties will take the average number of Market Hogs to be delivered annually and divide this